

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION
No. 5:19-MC-00028

IN RE:)
)
FORTITUDE FINANCIAL)
INVESTMENTS, INC.,)
)
Plaintiff,)
v.)
)
LSTAR MANAGEMENT, LLC,)
)
Defendant.)
)
-----)

**ORDER GRANTING
RECEIVER'S MOTIONS TO
APPROVE SETTLEMENT AND
RELEASE AGREEMENTS AND
DISTRIBUTIONS**

THIS MATTER comes before the Court on Receiver's Motion to Approve Settlement and Release Agreement (ECF No. 47) and Receiver's Motion to Approve Settlement Release Agreement and Distributions (ECF No. 49) (collectively, the "Motions") of Margaret R. Westbrook, Esq. ("Receiver"), in her capacity as the Court-appointed receiver of defendant LStar Management, LLC ("Management"). The Motions request that the Court enter an Order approving the proposed settlement agreement between Management and Kyle Corkum, approve the proposed Sharing and Release Agreements between Management and a number of Management's creditors, approve Receiver's proposed plan for distributing the assets of Management, and approve Receiver's prior payments and distributions.

Milone & McBroom, Inc. ("M&M) filed a limited objection to the Motions (ECF No. 52), and an amended limited objection.

Pursuant to N.C. Gen. Stat. §§ 1-501, *et seq.* and other applicable law and for good cause shown, including those bases set forth in Receiver's Memoranda in Support of the Motions (ECF Nos. 48 & 50), the Motions are GRANTED, on the terms and conditions set forth below.

Accordingly, it is hereby ORDERED, ADJUDGED, and DECREED that:

1. Receiver's proposed Settlement and Release Agreement between Management and Kyle Corkum (ECF No. 48-1 – the “Settlement Agreement”) is approved, and Receiver is authorized to take any and all actions necessary or appropriate to consummate the Settlement Agreement and to fulfill Management’s obligations under that Settlement Agreement.

2. Receiver's proposed Sharing and Release Agreements between Management and those of Management’s creditors who have agreed to execute those Sharing and Release Agreements (ECF No. 50-2 – the “Sharing Agreements”) are approved, and Receiver is authorized to take any and all actions necessary or appropriate to consummate the Sharing Agreements and to fulfill Management’s obligations under the Sharing Agreements.

3. Receiver's proposed plan for distributing the assets of the receivership estate is approved. All of Receiver’s prior distributions and payments are affirmed and approved as proper under Receiver’s authority under the Order Granting Motion for Appointment of Receiver (ECF No. 9), and Receiver is further authorized to take any and all actions necessary or appropriate to effectuate the approved plan for current and future distributions of the receivership estate’s assets as well.

4. Receiver may immediately begin distributing the assets of Management as described in the Motions, and as set forth herein, and Receiver is authorized to take any and all actions necessary or appropriate to distribute the assets of Management pursuant to the Motions.

5. The Receiver shall pay the funds otherwise designated in the Motions and in the Settlement and Release Agreement for Landquest Legacy of North Carolina, LLC (“LL”) and 63 Nichols LLC (“63”) to M&M to be applied against the judgment that it holds against LL and Kyle V. Corkum. Any future distributions payable to LL or 63 pursuant to the terms of the Motions and the Settlement Agreement, whether by the Receiver, Fidelus Holding Co., LLC, or anyone else,

shall be paid instead to M&M. All payments to be made to M&M pursuant to the terms of this Order shall be forwarded to counsel for M&M.

SO ORDERED. This 20 day of December, 2021.

J. Dever
James C. Dever III
United States District Judge